

Message Text

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PAGE 01 KINSHA 02088 121411Z

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ACTION AF-04

INFO OCT-01 SS-14 ISO-00 EB-03 CIAE-00 L-01 SP-02 INR-05

PRS-01 NSC-05 NSCE-00 /036 W
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R 121348Z MAR 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 1649

C O N F I D E N T I A L KINSHASA 2088

LIMDIS

E.O. 11652: GDS

TAGS: CG EFIN

SUBJECT: US POSITION ON IMF OIL FACILITY

REF: STATE 54631

1. IN LIGHT REFTTEL, LET ME CLARIFY MY UNDERSTANDING OF SITUATION. DINI AND I WERE AWARE BOTH OF USG GENERAL POSITION OF HAVING ACCEPTED CY 1975 OIL FACILITY AFTER HAVING OPPOSED IT EARLIER IN PRINCIPLE. HOWEVER, I UNDERSTOOD DINI TO BE SAYING THAT HERE STILL ELEMENT OF JUDGMENT INVOLVED AND THAT US OPPOSITION TO SPECIFIC ZAIRIAN REQUEST TO USE FACILITY WAS POSSIBLE, EVEN LIKELY. IF, IN FACT, USE OF

FACILITY IS VIRTUALLY AUTOMATIC, THERE IS NO ISSUE EITHER FOR MOBUTU OR FOR US GOVERNMENT. PLEASE ADVISE WHETHER OR NOT USG COULD IN FACT BLOCK OR DELAY DRAWING QUITE APART FROM POLITICS AND ECONOMICS OF WHETHER WE SHOULD.

2. AS FOR SETTING RECORD STRAIGHT, WHILE IT IS ESSENTIAL THAT WE UNDERSTAND POSITION, I SEE NOTHING TO BE GAINED BY SETTING RECORD STRAIGHT WITH GOZ. IN FACT, IF MOBUTU THINKS US HAS TO BE PERSUADED, THERE COULD BE ADVANTAGES IN VOTING
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PAGE 02 KINSHA 02088 121411Z

IN FAVOR WHEREAS IF IT IS AUTOMATIC, AND HE KNOWS

IT, WE HAVE NO POSSIBILITIES OF USING CARD FOR
WHATEVER IT IS WORTH.

3. INCIDENTALLY, WE UNDERSTAND FROM SEVERAL PRIVATE BANKING
SOURCES THAT SAMBWA AND N'SELE, GOVERNOR AND VICE
GOVERNOR RESPECTIVELY OF BANK OF ZAIRE, ARE TAKING
LINE THAT IMF MISSION IS TOTAL SUCCESS AND THAT
IMF PROGRAM WILL BE FOLLOWED BY GOZ. FOR OUR PART,
WE ARE TAKING LINE THAT IMF MISSION MADE REAL PROGRESS,
THAT ECONOMIC COURSE CHANGE IS COMING ABOUT, BUT
THAT WE DO NOT YET KNOW ENOUGH ABOUT DETAILS OF
PROGRAM GOZ WILL FOLLOW TO MAKE DEFINITIVE JUDGMENT.
I NEITHER WISH TO DISCOURAGE MORE OPTIMISTIC APPRAISAL
BY BANKERS NOR TO LEAVE IMPRESSION THAT PROBLEMS
ARE DEFINITELY RESOLVED AND I RECOMMEND THAT DEPT
AND OTHERS ALSO HEW TO THIS LINE. WE SHOULD ALL
BEAR IN MIND THAT ENVISAGED LARGE BALANCE OF PAYMENTS
SUPPORT LOAN MAY NOT ACTUALLY BE CONSUMMATED;
THAT EVEN IF IT IS, POOR ECONOMIC MANAGEMENT COULD
DISSIPATE BENEFITS, AND THAT IN ANY CASE LOAN TERMS
LIKELY BE ONEROUS AND PERHAPS UNPALATABLE TO USG.
WOULD ANY RATIONAL BANKS LEAND OR RESPONSIBLE
GOVERNMENTS GUARANTEE A SIGNATURE LOAN TO MOBUTU
FOR ONE-TENTH OF ZAIRE'S ANNUAL GNP?
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, PETROLEUM INDUSTRY, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAR 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KINSHA02088
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750087-0085
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750359/aaaacavm.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 75 STATE 54631
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 AUG 2003 by ShawDG>; APPROVED <02 SEP 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US POSITION ON IMF OIL FACILITY
TAGS: EFIN, CG, IMF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006